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**MULTI-MINERALS
LIMITED**

Twelfth Annual Report

For the Year Ended
DECEMBER 31, 1965

MULTI-MINERALS LIMITED

SUITE 911, 25 ADELAIDE ST. W., TORONTO, ONTARIO

Authorized Capital — 6,000,000 Shares, \$1.00 Par Value

Issued — 5,135,014 Shares

OFFICERS AND DIRECTORS

E. F. CARR, <i>President and Director</i>	- - - - -	Toronto, Ont.
B. NIXON APPLE, Q.C., <i>Vice-President, Secretary and Director</i>	-	Toronto, Ont.
M. OSBORNE, <i>Treasurer and Director</i>	- - - - -	Toronto, Ont.
A. S. BURTON, <i>Director</i>	- - - - -	Sudbury, Ont.
L. W. COCHRAN, <i>Director</i>	- - - - -	Castrop-Rauxel, West Germany
R. P. K. COUSLAND, <i>Director</i>	- - - - -	Toronto, Ont.

SOLICITORS

SALTER, REILLY, JAMIESON AND APPLE
302 Bay Street
Toronto, Ontario

AUDITORS

RIDDELL, STEAD, GRAHAM & HUTCHISON
Chartered Accountants
48 Yonge Street
Toronto, Ontario

TRANSFER AGENTS

EASTERN & CHARTERED TRUST COMPANY
1901 Yonge Street
Toronto, Ontario

MULTI-MINERALS LIMITED

Suite 911, 25 Adelaide Street West
TORONTO 1, ONTARIO

June 7, 1966.

TO THE SHAREHOLDERS:

In the 12 months which has elapsed since your Company's Eleventh Annual Report was submitted to Shareholders, Multi-Minerals Limited has undergone a rather dramatic period of growth, primarily as a result of a decision made some three years ago to research a new concept for converting phosphate raw materials to high purity phosphoric acid. During this same period of time the number of registered shareholders has increased by approximately 80%. Since many new shareholders have requested information, most of which the Company has reported over a period of years, your Directors, at the risk of appearing repetitious, submit the following summary of corporate background and development together with audited financial statements for the year ending December 31, 1965.

PROPERTY HISTORY AND INCORPORATION

History

About the year 1900 timbermen cruising the Nemegosenda River discovered massive magnetite in McNaught township about 6 miles north-east from Nemegos station, which is located on the main line of the Canadian Pacific Railway. The town of Chapleau is about 15 miles north-west and may be reached from Nemegos by road or rail. Sudbury is about 165 miles south-east by rail from Nemegos. Because this magnetite contained considerable titanium oxide the find was not followed up by exploration. Two claims, each containing 160 acres and known as McVittie Locations W.D.275 and W.D.276 were brought to patent, and on the death of Mr. McVittie became part of his estate.

In 1949 private American interests, prospecting the area for uranium discovered widespread radioactivity on the McVittie claims. They purchased the two claims, and by using a dip needle and geiger counter as guides staked 72 additional 40 acre claims adjoining and extending into Lackner township.

The entire acreage was sold to a new United States company, Nemegos Uranium Corporation, the same year. This company expended approximately \$250,000 comprising geophysical surveying which included 100 miles of line cutting, stripping, diamond drilling, building camps and purchase of camp and operational equipment during the period from 1949 to 1953.

In September, 1953, Sudbury Midzone Mines Limited and Sudbury Northrim Exploration Company Limited jointly obtained a working option from Nemegos Uranium Corporation for the purpose of investigating the main showing of magnetite-apatite material exposed and partly explored. Diamond drilling indicated additional tonnage in the main zone immediately.

In December, 1953, Multi-Minerals Limited was incorporated for the purpose of acquiring the property in toto, and financing the development of the main zone and related occurrences. Shares of Multi-Minerals were listed for trading on the Toronto Stock Exchange in August, 1954.

Property

By 1955 sufficient exploratory work had been completed to delineate the area of interest. Application to patent 49 of the 72 claims was made and patent granted. At present, the property consists of patented claims as follows:

2 McVittie claims	320 acres
49 Staked claims	2,049 acres
TOTAL	<u>2,369 acres</u>

The following references and reports prepared from 1953 to 1958 will indicate to shareholders the considerable effort put forth by our staff during the early years of the Company's history.

REFERENCES

The following reports are on file at the Company Head Office.

Geology and Geophysics:

- (a) Neczkar, E.: General Geology of the Multi-Minerals' property, Nemegos, Ontario. June 25, 1954.
- (b) Gaffney, T. J.: Geophysical and Geological Surveys of a Magnetite-Apatite-Columbium Deposit, September 26, 1955.
- (c) Neczkar & Gaffney: Geological map, 1" — 200', August 31, 1954.

Geology and Mineralogy:

- (d) Rowe, Robert B.: Niobium (columbium) Deposits of Canada, Geo. Survey of Canada, Series No. 18, 1958, (pages 35-45).
- (e) Hodder, R. W.: Alkaline Rocks and Niobium Deposits near Nemegos, Ont., Geol. Survey of Canada, Paper 57-8, 1958.
- (f) Parsons, G. E.: Ontario Dept. of Mines, in preparation for printing 1960.

Mineralogy:

- (g) A Mineralogical Study of Diamond Drill core representing Rock Type 4 from the Nemegos property, Dept. of Mines and Technical Surveys, Jan. 28, 1955.
- (h) A Mineralogical Study of ore from the North zone, (Anomaly No. 8) from Nemegos property, Dept. of Mines and Tech'l Surveys, March 16, 1955.
- (i) A Mineralogical Study of Pyrochlore ore from Orebody No. 8 of the Nemegos property, Dept. of Mines and Tech'l Surveys, January 26, 1956.
- (j) A Mineralogical Study of Carbonate-type pyrochlore ore from the Nemegos property, Dept. of Mines and Tech'l Surveys, October 23, 1956.

Airborne Survey:

- (k) Wilson, H. D. B.: Airborne Scintillometer Survey of Multi-Minerals Limited, Nemegos, Ontario by Central Geophysics Limited, June 18, 1955.

Milling Research:

- (l) Reimers, Jan H.: Final Report regarding ore dressing tests run in Norway on columbium bearing ores submitted by Multi-Minerals Limited, August 29, 1955.
- (m) Battelle Memorial Institute: The Acid Leaching of Apatite from Magnetite Ore, December 30, 1955.
- (n) Weaver, B. D.: Investigation of Recovery of Magnetite, Apatite and Pyrochlore from Ore of No. 6 Orebody of the Nemegos Property at the Dept. of Mines and Tech'l Surveys, Ottawa, Ontario, November 15, 1956.

Markets:

- (o) Battelle Memorial Institute: A survey of Markets for Fertilizer Materials in the Great Lakes Region, May 15, 1956.
- (p) Battelle Memorial Institute: A study of Potential Markets for Magnetite Products containing Titanium, March 23, 1956.

Engineering:

- (q) Dravo of Canada Limited: An Engineering Study covering Mining and Transportation of Anomaly No. 6 material. (The details contained in a letter to Mr. E. F. Carr dated January 20, 1958.)

DIAMOND DRILLING

Diamond drilling programs were carried out as follows:

<i>Year</i>	<i>Company</i>	<i>D.D.H. No.</i>	<i>Number of holes</i>	<i>Footage</i>	<i>Core Size</i>
1950-51	Nemegos U. Corp.	P 1-P 31	31	4,389	x-ray
1950-51	"	A 1-A 10	10	6,498	Ext
1950-51	"	B 1-B 10	10	6,269	"
1951	"	C 1-C 2	2	372	"
1951	"	D 1	1	1,610	"
1953	"	E 1	1	1,170	"
Sub-total			55	20,308	
1953-54	Multi-Minerals Ltd.	R 1-R 101	101	41,246	Ext
1955	"	R 102-R 120	19	11,520	"
1956	"	R 121-R 130	10	5,575	"
1956	"	NX 1-NX 4	4	959	N.X.
1959	"	131-140	10	9,776	Ext
Sub-total			144	69,076	
TOTAL			199	89,384	

SAMPLING AND ASSAYING

Prior to 1953 a limited amount of drilling within Anomaly No. 6 zone indicated this was composed of a homogeneous mixture of magnetite and apatite. Sufficient sampling and assaying had been done to establish that the magnetite was in the form of titaniferous magnetite and comprised about 70% of the "rock". The balance was mostly apatite with minor amounts of silicate minerals and sulphides.

Soon after drilling began columbium-bearing pyrochlore was identified occurring in nepheline fractures. Its presence also explained the high radioactivity within Anomaly No. 6 zone. Therefore, it was decided to assay all samples for columbium in order to determine its distribution.

When Anomaly No. 3 was drilled, and appeared to be higher in apatite than magnetite, the samples were cut visually with this in mind. As the general nature of the mineralization was determined, sample widths were increased up to 100 feet, if necessary, to cover sections of uniform visual estimate.

Results below are reported as percentages of (1) titaniferous magnetite, (2) apatite, and (3) columbium pentoxide since it appeared likely that potential primary production products at the site would be in the form of (1) titaniferous magnetite concentrates and (2) apatite concentrates.

ANOMALY NO. 6 ZONE

<i>Block Calculated</i>	<i>Mineralized Material</i>	<i>Titaniferous Magnetite</i>		<i>Apatite</i>		<i>Cb₂O₅</i>
	<i>Tons</i>	<i>%</i>	<i>Tons</i>	<i>%</i>	<i>Tons</i>	<i>%</i>
Main Mass — Surface to 300' horizon	3,276,250	69.60	2,280,190	21.88	716,845	0.155
Main Mass — 300' to 500' horizon	600,000	69.60	417,600	21.88	131,280	0.240
North Offset — Surf. to 500' horizon	700,000	69.60	487,200	21.88	153,160	0.160
South Offset — Surf. to 500' horizon	448,000	69.60	311,810	21.88	98,025	0.237
TOTALS	5,024,250	69.60	3,496,800	21.88	1,099,310	0.173

NOTES: Because of the thorough method of composite sampling of the main mass, similar grades for the adjoining smaller offsets are assumed because of visual similarity.

The main mass and north offset appear to join and pinch out about the 500' horizon but the south offset structure is still open at 800' horizon. The north offset outcrops at surface.

The main mass can be compared in shape to the hull of a boat with a deep keel. The two attached offsets extend outwards from its sides for a distance of about 200' each and then pinch out on strike. The pyrochlore mineralization cannot be detected with the naked eye.

Main Mass:

Length at rock surface	maximum 800'.
Horizontal width surface	maximum 230'.
Vertical depth	500' (calculated).
Dip	The main axis is nearly vertical. Two walls dip inward about 60° and the third is vertical.
No. of sections drilled	5
No. of holes drilled	26
No. of samples assayed	6 composite (see assay record).
Footage of core assayed	3,814'
Tonnage factor	7 cu. ft. per ton (2,000 lbs.).

ANOMALY NO. 3-4 ZONE

Block Calculated	Mineralized Material	Titaniferous Magnetite		Apatite		Cb ₂ O ₅
	Tons	%	Tons	%	Tons	%
Surface to 200' horizon	5,416,000	14.3	772,448	23.3	1,264,564	0.222
200'-600' horizon	8,195,000	16.6	1,364,924	20.2	1,654,465	0.222
600'-1,000' horizon	9,694,000	11.7	1,133,597	20.2	2,104,159	0.180
TOTAL	23,305,000	14.0	3,270,969	21.5	5,023,188	0.205

Four sections show this occurrence consists of two zones of enrichment separated by a lean section. The mineralization appears to be located within a large breccia zone and shows up in drill core as bands, stringers and disseminations. The block above can be considered closed on the north end, but open down dip without decrease in width or grade at 1,000' horizon. It can be assumed this condition continues to 1,200' horizon at least.

Length at rock surface	1,450'
Horizontal width	Maximum 400'; minimum 150'.
Vertical depth tested	1,000' (still open)
Dip	55 to 60 degrees easterly.
No. of sections drilled	4
No. of holes drilled	16
No. of samples assayed	45
Footage of core assayed	2,883
Tonnage factor	11 cu. ft. per ton (2,000 lbs.)

South-east Extension:

Five holes were drilled on 3 sections to probe the south-east extension of the anomaly. One section appears to have intersected a fault zone marked by many dykes and showed decreased apatite. The other two sections located 500' apart contained typical mineralization and grade between the 400' and 800' horizons. This would indicate a potential, over a strike length of 1,000' and from surface to 1,000' depth of 9,000 tons per vertical foot. Closer drilling is necessary to confirm this, of course. The zone is open to the east and down dip.

RECAP OF POTENTIAL — ANOMALY NO. 3-4

Block Calculated	Mineralized Material	Titaniferous Magnetite		Apatite		Cb ₂ O ₅
	Tons	%	Tons	%	Tons	%
Main Part of Zone 1,450' x 1,200' depth	28,000,000	14.0	3,920,000	21.5	6,020,000	0.205
S-E Extension — 1,000' x 1,000' depth	9,000,000	12.7	1,144,000	20.6	1,857,000	0.174
TOTAL	37,000,000	13.7	5,064,000	21.3	7,877,000	0.198

Only the above two zones, #6 and 3-4, have been detailed by your Company. Much of the Nemegos property still remains to be examined in more detail as will be seen from the property map contained in this report.

SUMMARY OF MINERAL DRESSING TESTS OF ZONE NO. 6 MATERIAL

In 1955 two carloads of freshly broken ore, aggregating 83 tons, were shipped to the Department of Mines and Technical Surveys, Ottawa, where mill tests were conducted under the supervision of a consulting metallurgist.

The following is a reprint of the "Summary and Conclusions" of the official report submitted to your Company:

Summary and Conclusions

"Test-work has shown that the magnetite-apatite ore of No. 6 orebody is amenable to treatment by a relatively simple process involving standard procedures of milling, wet-magnetic concentration and froth-flotation. Recovery of at least 95 per cent of both the magnetite and apatite in high-grade concentrates may be expected. The mill-treatment of the ore requires two separate yet interlocking circuits, one for recovering the magnetite, one for the apatite. Sufficient data have been accumulated on the former to justify, in my opinion, drafting a flowsheet for that portion of the mill. This has been done. Some minor problems remain to be solved in the apatite circuit, but the general method of treatment has been indicated and a preliminary flowsheet drawn accordingly. Operating costs have been estimated on these bases.

The ilmenite cannot be separated from the magnetite by mineral-dressing techniques. The titaniferous magnetite may be smelted directly in electric furnace to recover titanium-free metal and a high-titania slag suitable for further processing to recover the titanium.

Both the magnetite and apatite concentrates may be agglomerated without further grinding and without binder. High-strength pellets of both products were made by reliable engineering companies. The apatite concentrate may be used directly, without agglomeration, for the manufacture of fertilizers and phosphate chemicals in which pyroprocessing is not required.

Technically feasible processes have been developed for recovering niobium oxide from two types of ore; the economics will be governed by market conditions."

From the foregoing data shareholders will realize that your Company had developed substantial reserves of magnetite and apatite and also that each of these minerals could readily be separated into high grade concentrates.

The single problem confronting management at the time was one of economics. While substantial markets existed for the apatite concentrate, such was not the case for the magnetite. This was due to the presence of approximately 6% TiO_2 in the iron concentrate. The revenue from the sale of the apatite would have paid mining and concentrating costs — the profit being locked up in an unsaleable inventory of magnetite.

The exhaustive market and economic studies undertaken by Multi-Minerals led your Directors to the conclusion that the ore reserves of the Company could be exploited profitably only if an economical method could be found to extract the titanium in a saleable form from the iron and/or if the Company could further process the apatite into more profitable end products.

Development of Multi-Minerals Limited Phosphoric Acid Process

In 1963 Mr. L. W. Cochran, who had joined your Company's staff as Research Director, arranged for laboratory facilities at Chemical Research Associates in Bernardsville, New Jersey, and by June of 1964 the efforts of Mr. Cochran and his associates to develop a new process for the manufacture of phosphoric acid were well rewarded. The process which evolved appeared to offer many advantages over existing processes from the point of view of product quality and economic potential.

Early in May, 1964 necessary steps were taken towards obtaining patent protection of the process. The first patent application was filed in the United States and subsequently additional applications were filed in Belgium, Canada, France, West Germany, Holland, Italy, Luxembourg, United Kingdom and Japan.

Basic laboratory and bench scale investigations of the process were completed in the Fall of 1964.

The remaining task was to undertake the construction of a semi-commercial pilot plant in order to fully evaluate the feasibility and economics of the process.

Klockner-Humboldt-Deutz Agreement

Your Directors accepted an invitation from Klockner-Humboldt-Deutz, one of West Germany's largest fully integrated industrial complexes to demonstrate the process. This led to a formal agreement concluded in May, 1965.

Under the terms of the agreement, Klockner-Humboldt-Deutz undertook to immediately construct, in West Germany, a semi-commercial pilot plant to be operated under the guidance of our Research Director. In addition to providing all funds and technical services required, Klockner-Humboldt-Deutz agreed on behalf of your Company to file patent applications in some twenty additional countries and to assume legal responsibility and cost in any action arising from infringement of the patent. All patents and improvements remain the exclusive property of Multi-Minerals Limited.

In consideration, Klockner-Humboldt-Deutz has been granted an exclusive licence to manufacture and market acid plants utilizing the Multi process throughout the world. Multi-Minerals Limited has reserved the exclusive right to use the process in the Province of Ontario and certain other areas for a period of seven years and assumes specified responsibility for the exploitation of the process in the other Provinces of Canada and the United States. It should be pointed out that Multi-Minerals Limited may, if it elects, on its own behalf or in association with chemical companies, establish chemical plants anywhere in North America.

Multi-Minerals Limited will receive either a lump sum payment or a royalty income over a period of years based on the value of the tonnage output of each plant sold throughout the world. The percent of royalty which will be charged by Multi can best be arrived at upon completion of the economic studies resulting from the pilot operation.

Multi-Minerals Phosphoric Acid Process

The process which has been developed by Multi is, we believe, unique in many respects. Using an acid leach approach the system permits the production of a water-white, chemically pure product. Fluorine, which is a difficult element to eliminate in standard manufacturing processes, is reduced to negligible levels in one easy stage without additional provision of equipment. If it is desirable, the fluorine can be recovered as aqueous hydrogen fluoride — a valuable starting material for certain plastics. The process has substantial flexibility in that it can be utilized to produce agricultural grade acid, technical grade acid, or both simultaneously.

The process is completely adaptable to existing equipment and materials of construction. Its economic success is not contingent upon the development of radically new hardware or exotic construction materials. It is fully adaptable to automation and can be entrusted to operators with relatively low levels of technical training. This is a particularly important factor when it is remembered that the major markets for phosphoric acid plants in the future could be in areas of low technical competence.

While the Multi process was initially conceived hopefully for the purpose of exploiting the Company's phosphate reserves in Canada, test runs on phosphates from Russia, Morocco, Mexico and the United States have all produced equally good results.

Status of Pilot Studies

The pilot plant, which went onstream October 14, 1965, has operated successfully and the results obtained have confirmed the principle of the Multi process covered by patent applications.

The pilot plant stage has now been closed down and a series of tests are now in progress on the second and final stage which involves conventional equipment and procedure well known to the industry. Only the first stage, for which the pilot plant was necessary, encompasses the unique features of the Multi patent claims. Klockner-Humboldt-Deutz are proceeding with engineering plans for the first commercial plant and economic studies are in progress.

Results of Tests on Titaniferous Magnetite Concentrates

Your Company has received a report outlining the results of tests on Multi's titaniferous magnetite concentrates utilizing the "RCA Chloride Process". The Report states that results "indicate that it is possible to produce high purity iron powder from the Multi-Minerals magnetite concentrate". The titanium

product produced analyzed 98% TiO_2 . It is suggested this product could be utilized as a substitute for rutile. The above results are highly encouraging although larger scale tests, using the RCA chloride process, are now necessary to make an economic appraisal.

Your Directors have, during the past year, endeavoured to keep all registered shareholders fully informed as to the progress of the pilot plant and will continue to do so by means of Progress Reports particularly during the important months ahead.

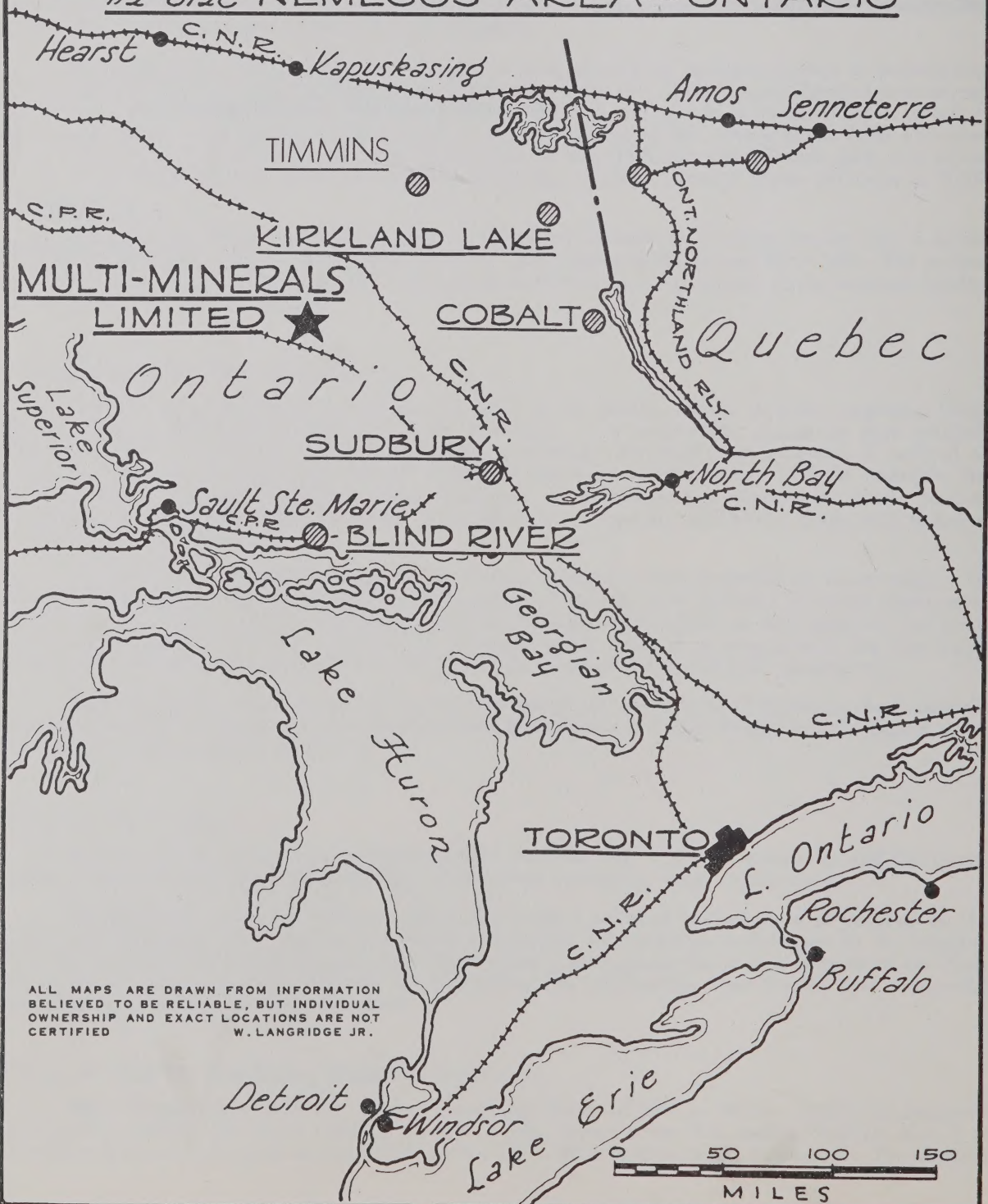
Accompanying the notice calling our annual meeting of shareholders is an instrument of proxy. If you are unable to be present personally at the meeting, kindly sign and return same in the enclosed self-addressed envelope.

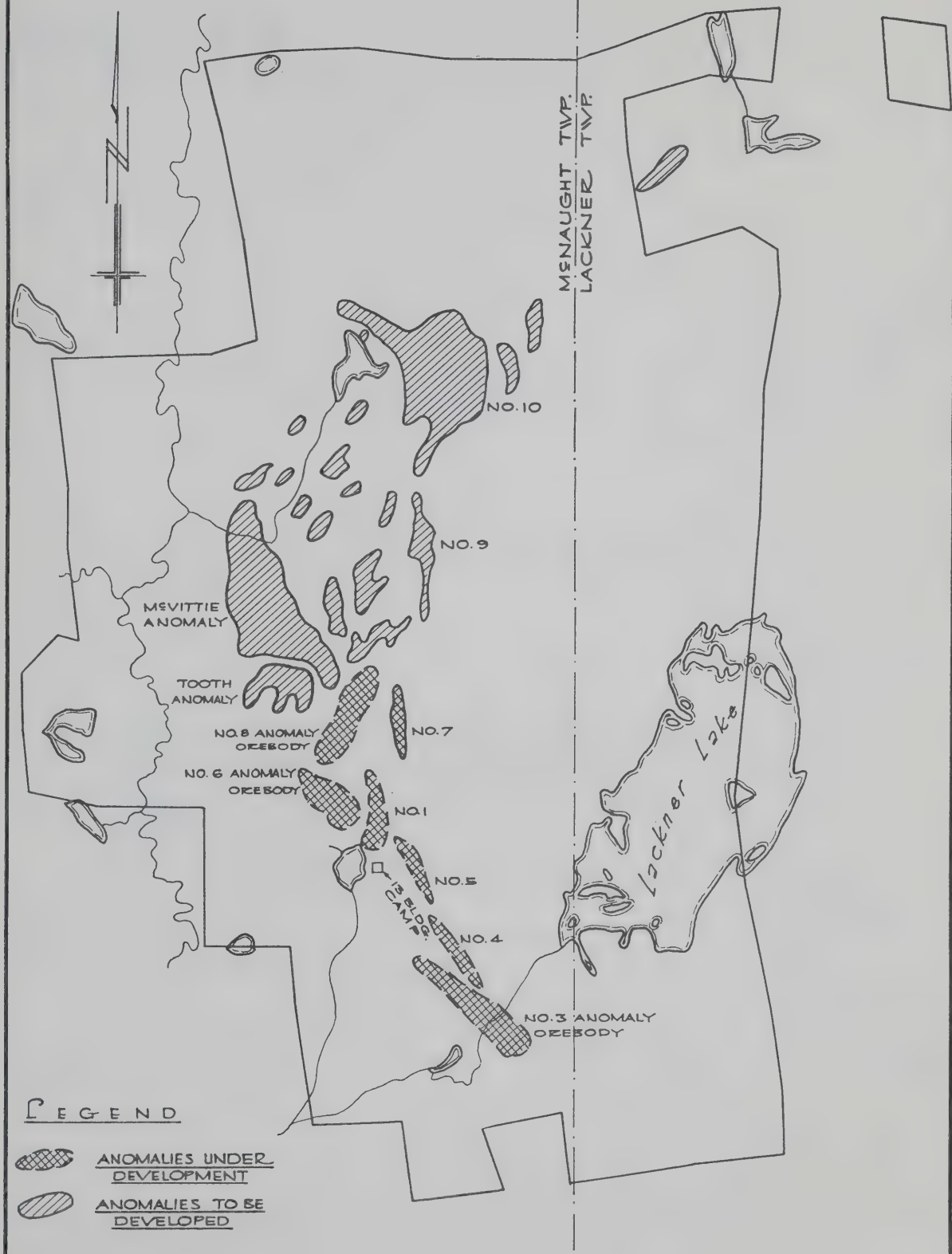
Respectfully submitted on behalf of the Board,

E. F. CARR,
President.

Key Map

SHOWING APPROXIMATE LOCATION OF
MULTI-MINERALS LIMITED
in the NEMEGOS AREA-ONTARIO





MAGNETIC ANOMALIES
MULTI-MINERALS LIMITED
NEMEGOS, ONTARIO

MULTI-MINERALS AND ITS WHOLLY-OWNED SUBSIDIARIES

Consolidated Balance Sheet

ASSETS

CURRENT ASSETS

Cash	\$ 24,485
Chartered bank deposit receipts and accrued interest	407,505
Accounts receivable	4,267
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Total current assets	436,257

INVESTMENTS

Shares in other mining companies — at cost less amounts written off (value at quoted market prices \$232,035)	\$ 415,102	
Shares in other company — at cost	9,000	424,102
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MINING ASSETS

Mining claims		
57 patented mining claims in the Sudbury division — 2,280 acres, at cost	1,738,809	
33⅓% interest in option to purchase 65 unpatented mining claims in the Township of McElroy, at cost	2,867	
	<hr/>	
	1,741,676	
Camp buildings and equipment as valued for insurance purposes as at January 18, 1954 with additions at cost, less accumulated depreciation of \$25,334	5,381	
Deferred exploration, development and administrative expenses	1,608,181	3,355,238
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		<hr/> <u>\$4,215,597</u> <hr/>

AUDITOR

To the Shareholders
MULTI-MINERALS LIMITED

We have examined the accompanying consolidated financial statements of Multi-Minerals Limited and its wholly-owned subsidiary, Multi Holdings Limited for the year ended December 31, 1965 comprising the balance sheet as at that date and the consolidated statements of exploration, development and administrative expenses and deficit for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

January 21, 1966.

ALS LIMITED

ARY, MULTI HOLDINGS LIMITED

s at December 31, 1965

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued \$ 19,177

SHAREHOLDERS' EQUITY

CAPITAL STOCK — see note 2

Authorized —

6,000,000 shares of common stock — par value \$1.00 per share

Issued and fully paid — see note 1

5,130,014 shares of common stock \$5,130,014

Less — Discount on shares — net 916,000

4,214,014

DEFICIT — per accompanying statement 17,594 4,196,420

NOTE 1. During the year 1,000,000 shares of capital stock were issued for \$530,000 cash and 50,000 shares valued by the directors at \$20,000 were issued in July, 1965 as consideration for assistance rendered to the company which resulted in the finalization of the agreement with Klockner-Humbolt-Deutz AG.

NOTE 2. The company has granted capital stock options to employees as follows:

On 125,000 shares exercisable under certain conditions by October 4, 1967 at 40¢ per share.

On 25,000 shares exercisable 5,000 per year from October 12, 1965 to October 12, 1970 at 60¢ per share.

Approved on behalf of the Board:

E. F. CARR, Director.

M. OSBORNE, Director.

\$4,215,597

PORT

In our opinion the aforementioned financial statements present fairly the financial position of the companies as at December 31, 1965 and the results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants.

MULTI-MINERALS LIMITED

AND ITS WHOLLY-OWNED SUBSIDIARY, MULTI HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES

For the Year Ended December 31, 1965

EXPENDED DURING THE YEAR

EXPLORATION AND DEVELOPMENT

Sudbury property		
Metallurgical expense	\$ 86,529	
Assays	641	
Insurance	113	
Depreciation — buildings and equipment	685	
Sundry	2,235	90,203
McNaught Township		
including diamond drilling		7,875
McElroy Township		
including diamond drilling		6,264
		<u>104,342</u>

ADMINISTRATIVE

Executive salaries	6,000	
Accounting and auditing	1,988	
Legal	3,224	
Rent	900	
Office salaries	1,386	
Transfer agent's fees	1,525	
Reports to shareholders and the public	5,555	
General	2,876	
Depreciation — office equipment	61	
Director's fees	875	
	<u>24,390</u>	
Less —		
Interest and sundry income (net)	3,278	21,112
		<u>125,454</u>

ADD

Balance of exploration, development and administrative expenses as at December 31, 1964	1,476,810
Incorporation expenses of Multi-Minerals Limited	<u>5,917</u>
TOTAL EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENSES AS AT DECEMBER 31, 1965	<u>\$1,608,181</u>

CONSOLIDATED STATEMENT OF DEFICIT

For the Year Ended December 31, 1965

DEFICIT AS AT DECEMBER 31, 1964	\$ 16,842
Add —	
Loss for the year	
Legal, audit and general expenses	193
Incorporation expenses of Multi Holdings Limited	559
DEFICIT AS AT DECEMBER 31, 1965	<u>\$ 17,594</u>

